

Benefits . . .

Total Benefits

Benefit Report Data

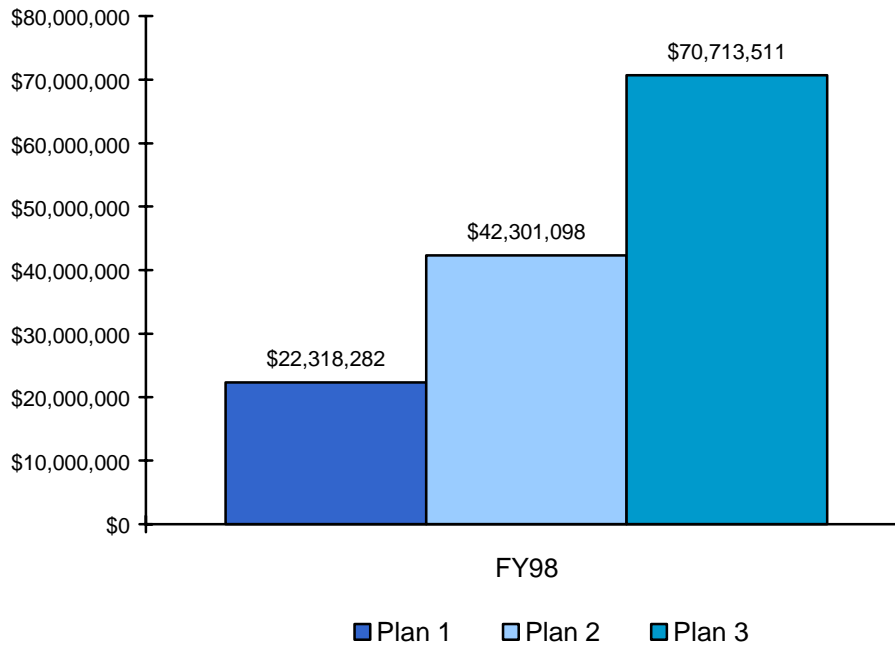
Settlement Dollars

Settlement Attorney Fees

Rehabilitation

Total Benefits

**Distribution of Benefits Paid
By Plan Type - FY98**



**Distribution of Benefits Paid
By Fiscal Year**

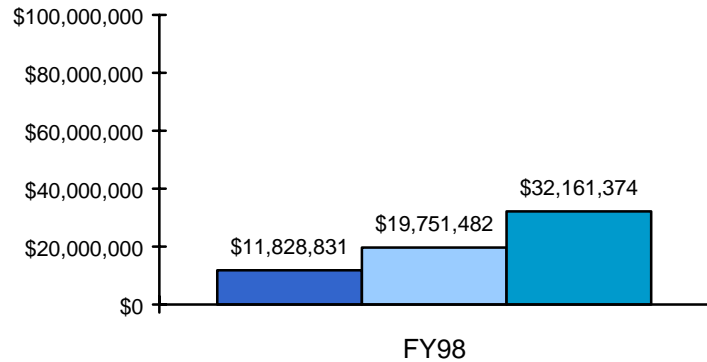
	FY96	FY97	FY98
Plan 1	\$22,044,566	\$22,198,949	\$22,318,282
Plan 2	\$33,268,989	\$35,954,463	\$42,301,098
Plan 3	\$92,775,219	\$73,036,463	\$70,713,511
Total	\$148,088,774	\$131,189,875	\$135,332,891

Note: Total benefits represent indemnity and medical.

- ◆ The benefit totals have been updated since the publication of the 1998 Annual Report Executive Summary due to the receipt of amended expenditure reports from some of the insurers.



**Distribution of Medical Payments
by Plan Type - FY98**



Distribution of Medical Payments

By Fiscal Year

	FY96	FY97	FY98
Plan 1	\$9,994,676	\$10,756,156	\$11,828,831
Plan 2	\$15,995,298	\$17,063,821	\$19,751,482
Plan 3	\$36,617,000	\$29,342,000	\$32,161,374
Total	\$62,606,974	\$57,161,977	\$63,741,688

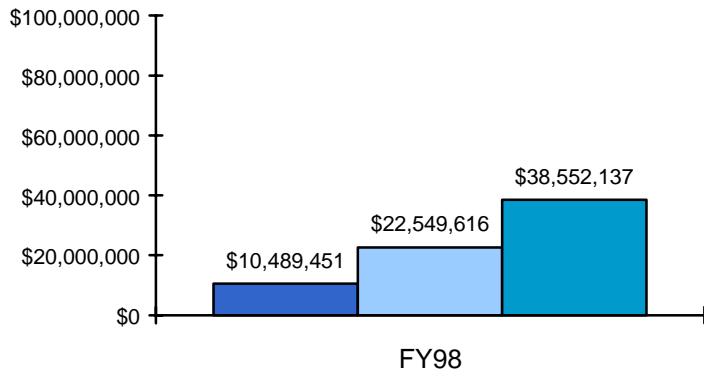
■ Plan 1

■ Plan 2

■ Plan 3



**Distribution of Indemnity Payments
by Plan Type - FY98**



■ Plan 1

■ Plan 2

■ Plan 3

Distribution of Indemnity Payments

By Fiscal Year

	FY96	FY97	FY98
Plan 1	\$12,049,890	\$11,439,793	\$10,489,451
Plan 2	\$17,273,691	\$18,890,642	\$22,549,616
Plan 3	\$56,158,219	\$43,694,463	\$38,552,137
Total	\$85,481,800	\$74,024,898	\$71,591,204

Benefit Report Data

(For dates of injury on or after July 1, 1998)

Temporary Partial Disability (TPD)

A worker is eligible for TPD benefits when:

- prior to maximum medical improvement, the injured worker is temporarily unable to return to time of injury position; and
- they return to work in modified or alternative position; and
- they suffer a wage loss; and
- they have been released by their treating physician to return to a modified or an alternative position with the same employer.

	FY96	FY97	FY98
Average indemnity payment <i>(All Plans)</i>	\$2,150	\$1,105	\$621
Average duration of benefits paid in weeks <i>(All Plans)</i>	12	11	5
Average duration in days from injury to benefit start date <i>(Plan 1 & 2 only)</i>	146	107	75
Average duration between injury date & release/return to work <i>(Plan 1 & 2 only)</i>	219	159	90

TPD Benefits

- TPD benefits are the difference between the injured worker's actual weekly wage and the actual weekly wage earned during the injured worker's temporary partial disability.

Length of TPD Benefits

- 26 weeks (however, the insurer may extend the benefit period).

Temporary Total Disability (TTD)

A worker is eligibility for TTD benefits:

- when the injured worker misses 6 lost work shifts or 48 hours, whichever occurs first; and
- the injury results in a total loss of wages and exists until the injured worker reaches maximum medical improvement; or
- until the worker is released to employment in which the worker was engaged at the time of injury or to employment with similar physical restrictions.

	FY96	FY97	FY98
Average indemnity payment <i>(All Plans)</i>	\$8,602	\$3,279	\$1,428
Average duration of benefits paid in weeks <i>(All Plans)</i>	59	19	6
Average duration in days from injury to benefit start date <i>(Plan 1 & 2 only)</i>	88	55	42
Average duration between injury date & release/return to work <i>(Plan 1 & 2 only)</i>	192	115	86

TTD Benefits

- TTD benefits are 66 2/3% of the wages received at the time of injury, not to exceed the state's actual weekly wage at the time of injury.

Length of Benefits

- until the worker reaches maximum medical improvement or is released to return to work.

Permanent Partial Disability (PPD)

A worker is eligible for PPD benefits:

- if they suffer permanent partial disability and are no longer temporarily totally disabled or permanently totally disabled; and
- they have a physical condition that impairs the workers' ability to work after the worker reaches maximum medical improvement but is able to return to work in some capacity; and
- have a permanent impairment, greater than zero, established by objective medical finding; and
- have an actual wage loss.

	FY96	FY97	FY98
Average indemnity payment (<i>All Plans</i>)	\$11,661	\$8,076	\$4,825
Average duration of benefits paid in weeks (<i>All Plans</i>)	8	10	8
Average duration in days from injury to benefit start date (<i>Plan 1 & 2 only</i>)	434	335	248
Average duration between injury date & release/return to work (<i>Plan 1 & 2 only</i>)	214	212	133

PPD Benefits

- PPD benefits are 66 2/3% of the wages received at the time of injury, not to exceed 1/2 the state's actual weekly wage at the time of injury.

Length of Benefits

- Maximum of 350 weeks.

Permanent Total Disability (PTD)

A worker is eligible for PTD benefits:

- if they possess a physical condition, after they reach maximum medical improvement, in which they do not have a reasonable prospect of physically performing regular employment; and
- if the injured worker is no longer temporarily totally disabled and is permanently totally disabled.

	FY96	FY97	FY98
Average indemnity payment (<i>All Plans</i>)	\$18,418	\$11,084	\$0
Average duration of benefits paid in weeks (<i>All Plans</i>)	0	0	0
Average duration in days from injury to benefit start date (<i>Plan 1 & 2 only</i>)	689	0	0
Average duration between injury date & release/return to work (<i>Plan 1 & 2 only</i>)	N/A	N/A	N/A

PTD Benefits

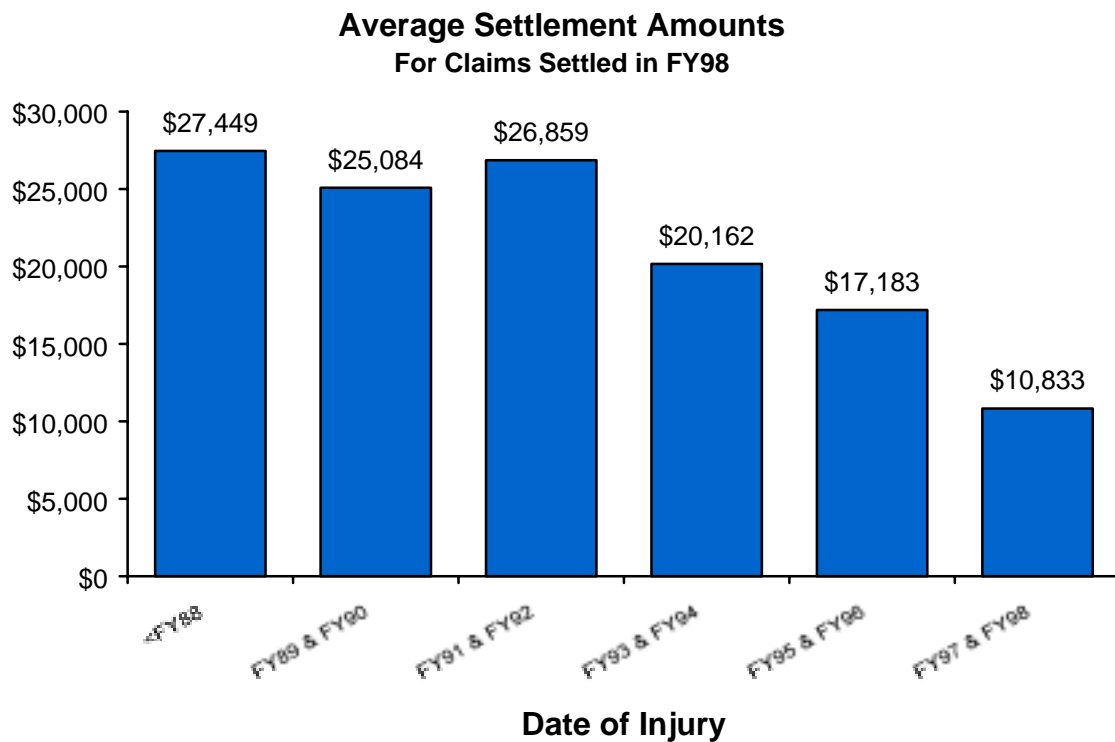
- An injured worker may receive 66 2/3% of the wages received at the time of injury, not to exceed the state's actual weekly wage at the time of injury. The injured worker may receive a maximum of 10 cost of living increases.

Length of Benefits

- Until the injured worker receives, or is eligible to receive, full social security retirement benefits.

Settlement Dollars

A settlement is a lump sum payment of the claimant's workers' compensation benefits. Benefits are usually paid out in periodic payments that are designed to sustain an injured worker over an extended period of time. Settlements can occur when the claimant and the insurer agree that benefits will be converted to a lump sum payment. Settlements are subject to approval by the Department of Labor and Industry.



- The above graph displays average settlement amounts for claims that were settled in Fiscal Year 1998, but have dates of injury in Fiscal Year 1998 and earlier.

**Average Settlement Amounts
For Claims Settled in FY98 - By Plan**

Injury Date	<FY88	FY89 & 90	FY91 & 92	FY93 & 94	FY95 & 96	FY97 & 98	Plan Average
Plan 1	\$30,922	\$19,500	\$33,888	\$22,412	\$16,276	\$10,630	\$16,828
Plan 2	\$24,464	\$29,844	\$23,468	\$18,489	\$16,355	\$10,608	\$14,857
Plan 3	\$36,946	\$13,542	\$19,086	\$23,357	\$17,895	\$11,024	\$16,478
NOC	\$22,741	\$25,076	\$30,612	\$18,887	\$18,658	\$11,700	\$18,890
All Plans Average	\$27,449	\$25,084	\$26,859	\$20,162	\$17,183	\$10,833	\$16,268

Notes:

NOC means Not Otherwise Classified.

Settlement Attorney Fees

The Employment Relations Division collects workers' compensation legal expense data on attorney fees claimed for approved settlements. The data collected are used to ensure fees the attorneys charge do not exceed the maximum amounts allowed by law. Not included are legal costs accumulated in defense of a claim, pro-bono work, court awarded fees, fees taken from bi-weekly compensation payments prior to settlement, fees related to uninsured employer claims, benefit advances, or fees related to disputed medical payments.

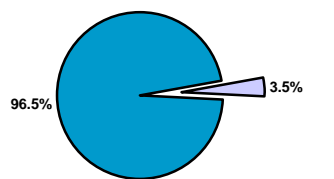
Distribution of Settlement Attorney Fees By Fiscal Year

	FY96	FY97	FY98
Number of Settlement Petitions Processed	2,100	1,551	1,342
Claims Settled with Attorney Representation	1,086	832	761
Percent Claimants Represented by Attorney	52%	54%	57%
Total Settlement Amount With Attorney Involvement	\$27,358,376	\$20,201,459	\$15,239,197
Total Attorney Fees	\$4,835,021	\$3,442,810	\$2,538,738
Percent Fees to Settlements	17.7%	17.0%	16.7%

- Similar to reports issued in previous years, there is a small percentage of records for which no attorney fees were listed due to both entry errors and reporting limitations.
- The information provided reflects settlements only and does not include advances, fees associated with biweekly compensation benefits, disputed medical benefits, court awarded fees, or amounts from lump sum payments not resulting in settlements.
- Total net settlement amounts included in the list are approximations. The settlement amounts do not include annuities.

Attorney Representation as a Percent of Reported Claims

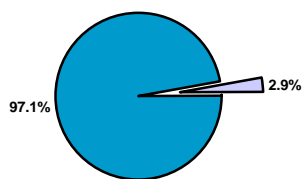
FY96
Reported Claims = 32,728



☐ Claims with Representation
☒ Claims without Representation

Approved Attorney Fee Agreements = 1,159

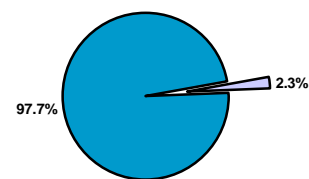
FY97
Reported Claims = 33,742



☐ Claims with Representation
☒ Claims without Representation

Approved Attorney Fee Agreements = 968

FY98
Reported Claims = 31,526



☐ Claims with Representation
☒ Claims without Representation

Approved Attorney Fee Agreements = 715

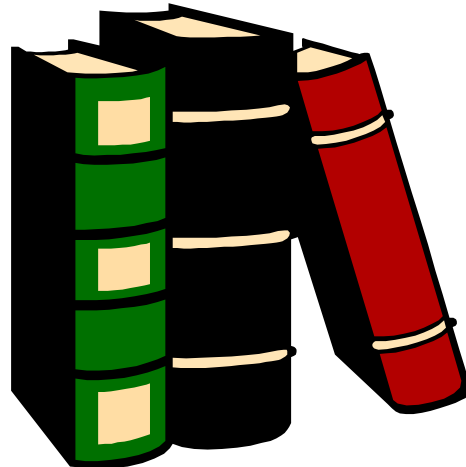
Rehabilitation

The best possible outcome after an injury is for the injured worker to return to work. Sometimes a disabled worker needs help to become employable again. The expense of rehabilitation pays off when the worker becomes as productive and self-sufficient as possible.

Rehabilitation benefits can provide bi-weekly compensation. Benefits are $66\frac{2}{3}$ of wages received at the time of the injury, not to exceed the state average weekly wage, for up to 104 weeks. A disabled worker may also receive payment for tuition, fees, books and other reasonable and necessary retraining expenses.

The worker's rehabilitation plan must be started within 78 weeks of reaching maximum medical healing, must be completed within 26 weeks of the completion date specified in the plan, and can not exceed 104 weeks. In addition, the insurer may pay auxiliary benefits up to \$4,000 for reasonable travel and relocation expenses.

Rehabilitation benefits are provided to claimants under certain circumstances. For disabled workers to qualify for these benefits, they must have a permanent impairment established by objective medical findings, resulting from a work related injury, that precludes them from returning to their time-of-injury job or a job with similar physical requirements and also have an actual wage loss; or they must have at least 15% medical impairment established by objective medical findings and no wage loss. The injured worker must have reasonable vocational goals and re-employment opportunities that will likely reduce the wage loss, and have a rehabilitation plan agreed upon with the insurer.



Industrial Accident Rehabilitation Trust Fund

For injuries occurring on or before June 30, 1997, disabled workers may be paid vocational rehabilitation expenses from funds in the industrial accident rehabilitation account. This is a state special revenue fund. Payments to the account are made each year from an assessment to each Plan 1 employer, Plan 2 insurers, and the Plan 3 (State Fund), not exceeding 1% of compensation paid to injured employees in Montana during the preceding fiscal year.

The administration of the fund moved from the Department of Public Health and Human Service to the Department of Labor and Industry on July 1, 1997. The fund is currently providing rehabilitation services to 109 injured employees.

Rehabilitation Trust Fund Use	
Plan Type	FY98
Plan 1	\$23,839
Plan 2	\$28,439
Plan 3	\$122,347
Total	\$174,625

- Plan 1 currently has 2 clients in rehab; Plan 2 has 23 clients; and Plan 3 has 84 clients.